

REMARKS

In the Official Action, claims 1-23 were rejected. By this Reply and Amendment, claims 14, 15, 17, 19, 21, 22 and 23 have been amended, and claims 1-23 remain pending.

In the Official Action, the title was objected to as not being descriptive. Accordingly, the title has been amended as set forth above, and the objection is believed to be overcome.

Claims 1-5, 7 and 19-23 were rejected under 35 U.S.C. 102(b) as anticipated by the Williamson reference, US Patent No.: 6,668,936. This rejection is respectfully traversed, however independent claim 19 has been amended to clarify the claim language.

The Williamson reference discloses a hydraulic control system used to control well tool assemblies. Multiple well tool assemblies 12, 14, 16 and 18 are connected along a tubular string 20 positioned in wellbore 22. In one embodiment, the well tool assemblies are hydraulically operated to control fluid flow between wellbore 22 and corresponding formations or zones 24, 26, 28 and 30. Operation of the well tool assemblies is controlled by a hydraulic control module which places one or more control lines into fluid communication with one or more lines associated with specific well tool assemblies. (See column 3, lines 10-40). The control concept is explained further in column 6, lines 47-58 which recites:

"If the control module 38 is used for the control module 32 in the method 10, then the flowpaths 50, 52, 60 would be connected to respective ones of the lines 34, and the flowpaths 62, 64, 66, 68 would be connected to respective ones of the lines 36. Manipulation of pressure differentials on the ones of the lines 34 connected to the flowpaths 50, 52 would cause the one of the lines 34 connected to the flowpaths 60 to be placed in fluid communication with a particular one of the lines 36 connected to a respective one of the flowpaths 62, 64, 66, 68 to thereby permit operation of a selected one of the well tool assemblies 12, 14, 16, 18 to which that particular one of the lines 36 is connected."

Accordingly, the control system described in the Williamson reference is used to connect one or more control lines with selected lines of multiple lines or flowpaths directed to individual well tool assemblies. This general approach is utilized with various control module

embodiments described in the Williamson reference. The reference does not, however, describe or suggest a system or method in which a flow valve and a cross-flow prevention valve are controlled by the same hydraulic control line.

By way of specific example, the Williamson reference does not disclose or suggest a flow valve "actuated with a hydraulic control line" and a cross-flow prevention valve also "actuated with the hydraulic control line" as recited in independent claim 1. Similarly, the reference does not disclose or suggest "actuating the cross-flow prevention valve and the flow valve with a single hydraulic control line" as recited in amended, independent claim 19. Accordingly, independent claims 1 and 19 are not anticipated by the cited reference, and the rejection should be withdrawn.

Claims 2-5, 7 and 20-23 ultimately depend from either independent claim 1 or independent claim 19. These dependent claims are patentable over the cited reference for the reasons provided above with respect to their corresponding independent claims as well as for the unique subject matter recited in each of the claims 2-5, 7 and 20-23.

Claims 6 and 8-18 were rejected under 35 U.S.C. 103(a) as unpatentable over the Williamson reference in view of the Murray reference, US Patent No.: 5,862,865. Claims 6 and 8-13 ultimately depend from independent claim 1 and are patentable over the cited references for the reasons provided above with respect to independent claim 1 as well as for the unique subject matter recited in these dependent claims. The Murray reference provides no disclosure that would obviate the deficiencies of the Williamson reference as described above.

The Murray reference describes an insert assembly for use in a gas lift operation that has a tubing safety valve 16 with a flapper 18. (See column 2, lines 14-18). However, the Murray reference in combination with the Williamson reference fails to disclose or suggest numerous elements of amended, independent claim 14. For example, whether taken alone or in combination, the references fail to disclose or suggest a first multi-position flow valve controlling flow from a first formation, a second multi-position flow valve controlling flow from a "next adjacent active formation", and a cross-flow prevention valve "disposed between the first

multi-position flow valve and the second multi-position flow valve to selectively prevent flow between the first formation and the next adjacent active formation" as recited in independent claim 14.

Claims 15-18 ultimately depend from independent claim 14. These dependent claims are patentable over the cited references for the reasons provided above with respect to claim 14 as well as for the unique subject matter recited in each of the claims 15-18.

Applicant hereby requests a one month extension in the statutory period for response to the Office Action from November 11, 2006 to December 11, 2006 in accordance with 37 C.F.R. § 1.136. A payment in the amount of \$120.00 is provided on the form PTO-2038 enclosed herewith for payment of the fee for this extension of time. If the amount is missing or insufficient, the Commissioner is authorized to charge any additional fees which may be required, or credit any overpayment, to Account No. 50-3054.

All pending claims are believed to be in condition for allowance. However, if the Examiner believes certain amendments are necessary to clarify the present claims or if the Examiner wishes to resolve other issues by way of a telephone conference, the Examiner is kindly invited to contact the undersigned attorney at the telephone number indicated below.

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Respectfully submitted,



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